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OFFICE OF THE SECRETARY

**BILL:** **House Bill 94** - State Vehicle Fleet - Conversion to Zero-Emission Passenger Cars and Other Light-Duty Vehicles

**COMMITTEE:** House Environment and Transportation and Economic Matters

**DATE:** January 20, 2022

**POSITION:** Letter of Information

Upon review of House Bill 94 – State Vehicle Fleet - Conversion to Zero-Emission Passenger Cars and Other Light-Duty Vehicles, the Department of General Services (DGS) provides these comments for your consideration.

House Bill 94 requires 100% of the State Fleet of light duty vehicles purchased be zero-emission by 2033. DGS will be required to install charging infrastructure to support those vehicles. The Statewide Fuel Program, administered by DGS, will realize a significant decrease in revenue due to the fleet electrification.

- The Bill requires 100% of the State Fleet of light duty vehicles purchased be zero emission by 2033. DGS currently has 77 light duty fleet vehicles, which would be replaced by ZEVs. DGS understands the cost difference to be \$10,604 between a traditional internal combustion vehicle and a fully electric vehicle on a State contract. The DGS fleet is not scheduled nor budgeted for replacement.
- DGS is leading a coordinated State-wide effort to identify Electric Infrastructure needs and to ensure the necessary infrastructure is in place to meet existing climate and transportation goals. **The cost to support the incoming ZEVs at State Agencies, at a 2:1 ratio, is estimated to be \$2,000,000 per year, including charging equipment, construction, equipment warranties and networked data and maintenance. This will require DGS to hire 6 new personnel to complete projects within this timeline.**
- The Statewide Fuel Program will realize a significant fiscal impact with the transitioning of all State light-duty vehicles to ZEV. The Statewide Fuel Program revenues are collected on the sales of fuel at State fueling stations. The program generates approximately \$800,000 in revenue per year from the fuel sales. Fewer vehicles requiring fuel will impact this revenue. Depending on the roll out of replacement vehicles across the State, **DGS could lose approximately \$1,173,500 or more in revenue by FY2027.**



- Currently, the revenue from the Statewide Fuel Program is used for the DGS division's operating expenses and will need to be absorbed elsewhere in the budget so that the fuel stations may remain fully functional until the entire fleet is electrified—something that may take years.
- DGS notes there will be significant costs incurred for the decommissioning of the State's 120+ fueling sites. DGS will decommission all non-MDOT owned sites, which are expected to cost **\$250,000 per site**.

For additional information, contact Ellen Robertson at 410-260-2908.